

Road User Charge Fact Sheet: Utah

State: Utah | **Publication Date:** January 25, 2022

History: The Utah Department of Transportation (UDOT) has received four grants totaling \$3.245 million from the [federal Surface Transportation System Funding Alternatives \(STSFA\) program](#). UDOT used its fiscal year 2018 grant funds awarded in 2019 to implement a voluntary operational Road Usage Charge (RUC) program for owners of fully electric vehicles, plug-in hybrid vehicles and gasoline hybrid vehicles. The RUC program is exploring the feasibility of a RUC serving as an alternative to the state's fuel tax and began enrolling participants on Jan. 1, 2020.

Utah was awarded its second and third STSFA grants in July 2020. The second grant explores the feasibility of combining the RUC program with existing Express Lanes tolling to reduce administrative costs and improve the customer experience. The third grant tests the feasibility of overlaying a local government RUC fee on top of the state's RUC fee.

A fourth [STSFA grant](#) was awarded to UDOT in March 2021 to assist with optimizing the RUC customer experience. The purposes of this optimization are to attract new participants, retain existing participants, and identify efficiencies that will improve the program while reducing administrative costs. Overall, UDOT aims to create more sustainable funding for the state's transportation system.

STSFA Awards

Fiscal Year	Grant Amount	Description
2018	\$1,250,000	Implement a RUC program for fully electric vehicles, plug-in hybrid vehicles and gasoline hybrid vehicles.
2019	\$395,000	Examine the ability to integrate several aspects of the RUC program for alternative vehicles with the existing Express Lanes tolling systems.
2019	\$350,000	Test interagency coordination and system interoperability between state and local entities by allowing local jurisdictions the ability to piggyback their own per-mile RUC fees on the existing RUC system.
2020	\$1,250,000	Develop and validate RUC-specific customer experience improvements to enhance public acceptability and attract and retain more voluntary participants.

Legislative Activity: Mileage-based funding was originally discussed in a 2003-2004 Legislative Transportation Planning Task Force hearing. Since then, six RUC-related laws have been adopted by the Utah Legislature.

In 2015, [HB 362](#), Transportation Infrastructure Funding, directed UDOT to continue studying RUC as an alternative to the fuel tax, including a potential RUC demonstration program along with recommendations to implement a RUC program in the future. In 2017, [SB 174](#), Public Transit and Transportation Governance Amendments, created the Transportation Governance and Funding Task Force and required a report on how the state could address statewide funding needs via user charges. The [report](#) was presented to the Transportation Interim Committee in November 2017 with a recommendation to, “Authorize and direct UDOT to begin a RUC demonstration/pilot program as a potential future alternative to motor fuel taxes.”

In 2018, [SB 136](#), Transportation Governance Amendments, required UDOT to implement a RUC demonstration by Jan. 1, 2020, in lieu of collecting an annual flat fee for electric vehicles, plug-in electric hybrid vehicles and gas hybrid vehicles. It also ordered UDOT to create a RUC Advisory Committee to lead the development of its RUC program. The RUC Advisory Committee met [three times between May and November 2018](#). Five technical working groups composed of committee members were also formed to focus on policy, communication, privacy and security, compliance and enforcement, and technology.

[SB 72](#), Transportation Governance and Funding Revisions, adopted in 2019, enacted laws necessary to implement a permanent RUC program, a reversal from the 2018 bill that authorized only a demonstration program. SB 72 authorized UDOT and the Utah Transportation Commission (Commission) to establish certain administrative rules. UDOT was directed to create rules regarding enrollment, withdrawal and removal, mileage reporting, commercial account management (CAM), enforcement, privacy and data sharing. Moreover, the Commission was given RUC rate setting authority. Additional provisions permitted information sharing between UDOT and the state Division of Motor Vehicles (DMV). This addressed specific procedures to protect personal information and data, penalties for violating privacy protections, device tampering and penalty procedures to remove participants for failure to pay.

In 2020, [SB 150](#), Transportation Governance and Funding Amendments, required UDOT to submit a plan to the legislature with potential scenarios to enroll all registered vehicles in the state by Dec. 31, 2031. UDOT submitted its [report](#) in May 2021 and [presented](#) it to the Transportation Interim Committee in June 2021. The report outlined two scenarios the state could take advantage of, while describing risks associated with expansion, revenue generation, public acceptance and adaptability. The report also analyzed issues regarding rural equity, privacy, costs and technology. SB 150 also reenacted certain reporting provisions originally approved in 2019 via [SB 2001](#) and subsequently repealed the following year via [HB 185](#). These provisions addressed a requirement for UDOT to annually update its RUC enrollment strategy, along with details covering participation rates, revenue collection, potential strategies to expand enrollment and administrative expenses. UDOT must report this information to the legislature by Oct. 1 of each year.

In 2021, [SB 82](#), Road Usage Charge Program Special Revenue Fund, created a specific fund to receive deposits generated by the RUC program. Revenues may be used to cover the costs of administering the RUC program and for state transportation purposes.

Project Details:

Emovis, a mobility services and technology provider, was chosen as the commercial account manager (CAM) to operate Utah's RUC program in May 2019. UDOT and the state DMV worked to link the CAM's system to the state DMV registration database. The [Utah Road Usage Charge Program](#) went live on Jan. 1, 2020. Presently, Utah law allows fully electric vehicles, plug-in hybrid vehicles, and gasoline hybrid vehicles to enroll in the program. UDOT reported 3,895 enrolled vehicles as of July 2021, according to a presentation to the Western Association of State Highway and Transportation Officials in September 2021. Since the program's launch, RUC participants have driven approximately 17.8 million total miles as of July 2021. Under Utah's voluntary enrollment program, both the number of enrolled vehicles and the number of monthly miles driven have significantly increased over the last two years.

The initial [RUC rate](#) was set by the commission at 1.5 cents per mile. As provided by commission rule, the fee is adjusted annually by the same percentage as the change in the state fuel tax. The new RUC rate as of Jan. 1, 2022, will be 1.52 cents per mile. If a registered owner chooses not to enroll their vehicle in the RUC program, they are subject to the annual flat fee adopted by the legislature in the 2018 bill, SB 136. RUC participants, on the other hand, are not subject to a flat fee. Under rules adopted by UDOT, RUC participants are not charged more in RUC annually than a vehicle type flat fee (Table 1).

Table 1. Annual Flat Fee Registration

Vehicle Type	2020	2021	2022
Electric	\$90	\$120	\$123
Plug-In Hybrid	\$39	\$52	\$53.25
Gasoline Hybrid	\$15	\$20	\$20.50

Source: UDOT.

When a participant enrolls in the RUC program, a prepaid wallet account is created. The initial wallet amount is set at \$15. Charges are then automatically deducted as miles are driven. If the balance goes below \$5, the prepaid wallet automatically replenishes itself with \$10. This is referred to as a "top-up" charge and once the account reaches the amount of the annual flat fee applicable to the vehicle type, the mileage fee charges stop for the current 12-month registration period.

In February 2020, the "[Future of Road Usage Charge Workshop](#)" was held to study RUC program expansion scenarios. The alternative scenarios studied assumed all vehicles would be enrolled in a RUC program by 2030. Notably, workshop participants gave a "highly favored" rating for a gradual transition to a RUC system using a vehicle's mpg rating and enrolling vehicle groups beginning with those that have the highest mpg. This scenario also proposed raising annual flat fees for hybrid vehicles to \$50, plug-in hybrid electric vehicles to \$125 and electric vehicles to \$250. RUC would apply to vehicles rated at 20 mpg or more in 2024 and all vehicles by 2030.

Furthermore, as a result of [SB 150](#) and the workshop's recommendation, UDOT proposed two scenarios to expand its RUC program to all registered vehicles. Scenario A explored lump sum payments and only one mileage reporting option, whereas Scenario B explored pay-as-you-go and multiple mileage reporting options. Both scenarios assumed all vehicles would be required to enroll in a RUC program by Dec. 31, 2031, with enrollment expansion beginning in 2024. UDOT emphasizes mandatory enrollment will likely be necessary to ensure all vehicles are enrolled in a future RUC program by 2032. Both scenarios also assumed that the RUC rate would be revenue neutral with respect to the existing state fuel tax. In-state drivers would receive credits for fuel taxes paid, whereas out-of-state drivers and heavy vehicles registered with the International Registration Plan and the International Fuel Tax Agreement would continue paying the fuel tax.

Under Scenario A, there would be mass implementation with only manual odometer reporting. Odometers would likely be read during annual registration, potentially through the use of a phone app with odometer photo capture capabilities. Beginning in 2024, any vehicle rated over 20 mpg, as well as electric vehicles, plug-in electric hybrid vehicles and gas hybrid vehicles would be eligible to enroll in the RUC program. By the end of 2031, all vehicles would become eligible to enroll. Approximately two million vehicles would be expected to enroll in 2024, with another 827,000 enrolling by the end of 2031.

Under Scenario B, phased implementation with technology would occur. Mileage reporting would be via in-vehicle telematics and aftermarket plug-in devices, as well as manual odometer readings. Beginning in 2024, any vehicle rated over 30 mpg, as well as electric vehicles, plug-in electric hybrid vehicles and gas hybrid vehicles would be eligible to enroll in the RUC program. All new vehicles purchased after 2025 would be eligible to join the RUC. Approximately 570,000 vehicles would be expected to enroll in 2024 with all vehicles enrolled by the end of 2031.

RUC participants must either have embedded telematics capability or install a plug-in device (provided by the CAM) in the On-Board Diagnostic port located in their vehicle. Data is then directly sent to the CAM and is used to track and report the number of miles a participant drives. Participants are also required to download an app to their mobile devices to report their odometer readings at enrollment and annually thereafter.

UDOT is in the process of beginning work on its 2019 and 2020 STSFA grants. The two 2019 grants (for Local RUC and Express Lanes Tolling Integration) are being managed as a single project to maximize cost efficiencies. Planning is underway to finalize the study design and prepare plans for hiring a technology vendor to conduct the live testing and data collection portions of the project. As of late 2021, UDOT is also in conversations with four local government agencies to participate as partners in the Local RUC components of the project. UDOT anticipates releasing a technology vendor RFP in spring of 2022 with the goal of beginning live pilot operations with volunteer participants by early 2023.

The 2020 STSFA grant focused on customer experience improvements is still in the initial stages of planning and will be further developed in early 2022.

Other Resources

- [Utah's Road Usage Charge Program](#)
- Utah Department of Transportation: [RUC History](#)
- Utah Department of Transportation: [Legislative Resources](#)
- Federal Highway Administration: [STSFA Biennial Report](#) (September 2, 2020)
- Utah Foundation: [Measuring the Miles](#) (March 2021)